DELTA LEVEES SPECIAL FLOOD CONTROL PROJECTS

PROJECTS SOLICITATION PACKAGE FOR HABITAT ENHANCEMENT AND RESTORATION PROJECTS

April 19, 2010

Special Projects
SOLICITATION PACKAGE

The California Department of Water Resources invites you to submit a Delta Special Projects proposal under the Near Term Special Projects *Guidelines* (Near Term Guidelines or *Guidelines*).

This solicitation specifically seeks Projects that improve habitat in the Delta, including habitats that have historically been impacted by levee maintenance and rehabilitation work. Such projects may include protection, improvement (enhancement), and/or restoration of degraded Delta habitats. Restoration and enhancement work may include improvements to tidal marshes and other wetland and floodplain habitats, as well as riparian habitats, shaded riverine aquatic habitats, scrub shrub habitats, and freshwater marsh habitats. Fifteen million dollars from Propositions 1E and 84 will be made available for these Projects. Applicants may request funding for the planning, implementation and/or monitoring activities associated with these projects.

For an electronic copy of the Special Projects Solicitation Package, please go to http://www.water.ca.gov/floodmgmt/dsmo/bdlb/spp/.

PROPOSAL DUE DATE

May 24, 2010
Hand-delivered by close of business or postmarked

PROPOSAL SUBMITTAL

Please submit three hard copies of the proposal to:

Mike Mirmazaheri, Program Manager
Department of Water Resources
Delta Levees Program
1416 Ninth Street, Room 1641
Sacramento, California 95814

Proposals submitted by mail must be postmarked by May 24, 2010.

DWR staff may follow-up with applicants to request certain of the materials in the proposal in electronic form. Submittals should be limited to 50 pages.

QUESTIONS? NEED ASSISTANCE? CONTACT:

Jay Chamberlin
Department of Water Resources
(916) 651-7016
jtchambe@water.ca.gov

Delta Levees Special Flood Control Projects

Habitat Enhancement Projects

Projects Solicitation Package (PSP)

1. BACKGROUND

California voters approved Propositions 1E and 84 on November 7, 2006. This legislation provided funding for the Sacramento-San Joaquin Delta through the Delta Levees Special Flood Control Projects program through the sale of bonds to support ecosystem restoration and flood control. This program is authorized under Water Code Section 12310 et seq., and has as its primary purpose the protection of discrete and identifiable public benefits, including the improvement and restoration of fish and wildlife habitat in the Delta.

The legislature has appropriated Proposition 84 and 1E funds to Delta Levees Special Flood Control Projects through a number of bills, including Senate Bill X2 1 approved in September 2008. Senate Bill X2 1 provided, among other things, $100 million of Proposition 84 funds to "improve the stability of the Delta levee system, reduce subsidence, and assist in restoring the ecosystem of the Delta." The Legislature further instructed that "[p]riority shall be given to projects that improve conditions for delta smelt and other native fish." See California Water Code Section 8302(b)(5).

On February 16, 2010, the Department of Water Resources published the Final Near-Term Guidelines to solicit proposals for Delta Levee Special Flood Control Projects (cited here as the Guidelines). These Guidelines offer details on the purpose, process and requirements for selecting and funding Special Projects Program projects. All definitions of terms and all requirements for Projects under the Guidelines apply equally to this PSP. A copy of the Final Special Projects Near-Term Guidelines is available at http://www.water.ca.gov/floodmgmt/dsmo/bdlb/spp.

This PSP provides a synopsis of the application process and Guidelines requirements, an application timeline, and the eligibility, ranking and cost-share criteria for the habitat restoration Projects that qualify for this PSP. If this PSP does not cover requirements discussed in the Guidelines, the Applicant is not excused from performance as the Guidelines remain in control.

2. ELIGIBLE APPLICANTS

An Applicant must be a Local Agency responsible for maintaining a Project or Non-Project levee in the Primary Zone of the Delta or a Non-Project levee in the Secondary Zone of the Delta.

3. ELIGIBLE PROJECTS

Proposed projects must plan to improve or restore habitat in the Delta, consistent with the mandates of Water Code Section 12300 et seq. Habitat restoration or improvement projects should seek to benefit degraded Delta habitats including those that have been impacted by historic levee improvements. Specific habitat examples include tidal marsh, wetland, and floodplain habitats that have been fragmented and lost due to historic levee construction, and upland habitats associated with the maintenance or improvement of levees – including the four habitat types associated with the Delta Levees Program (See Appendix H1 for a description of these habitat types).

Applicants may request funding for the planning, implementation and/or monitoring activities associated with these projects. In addition to large scale restoration projects, funding might include support for a wide variety of activities that enhance existing Delta habitats such as the removal of non-native species, vegetation plantings, and enhancements to restore native fish and wildlife populations. Local Agencies are encouraged to work with experienced habitat restoration practitioners to develop ecologically sound habitat proposals.

4. AVAILABLE FUNDS

This PSP solicits proposals for $15 million. The funding sources for this PSP are Propositions 1E and/or 84. As stated, these funds are for Projects that provide habitat improvements and restoration in the Delta.

5. APPLICATION AND SELECTION PROCESS

Applications must be submitted (either in person, by courier, or postmarked) by 4:00 p.m. on May 24, 2010. Project proposals that do not meet this deadline will not be reviewed. The Department will review all timely submittals for completeness. Proposals that are not substantially complete will not be further reviewed. The Department may contact applicants of proposals that are substantially complete but missing some items. If a Local Agency is contacted by the Department with a request for more materials, it will have one week to provide all requested information.

Complete applications will be reviewed to determine whether they meet the general requirements, general project eligibility criteria, and specific project eligibility criteria.

Once an application is deemed complete and eligible, it will be ranked using the selection criteria provided below. After the highest ranked Projects are selected and the available funds are committed, the Department will issue tentative award letters to successful Applicants. Successful Applicants must enter into a Funding Agreement with the Department before any funds will be disbursed.

The Department will issue tentative award letters in June 2010, whereupon the Local Agency will develop and submit to the Department a detailed Scope of Work. In addition, the Department and Local Agency will negotiate a Funding Agreement. The Funding Agreement must be executed on or before June 30, 2010, unless, at its sole discretion, the Department extends this deadline.

Consistent with the Guidelines, the Department may, at its discretion, issue additional PSPs or use direct expenditures to fund habitat projects consistent with Program needs. This includes the right to reject project proposals under this PSP if they do not adequately meet the criteria of the Habitat Enhancement and Restoration PSP.

A. Eligibility Requirements

All complete applications must meet the general eligibility criteria described in the Near-Term Guidelines. In addition, all projects proposed under this PSP must meet the specific criteria shown in the checklist in Appendix A. Applicants should complete this checklist and include it with their submittal; this list asks whether each criterion is met and, if so, where it is demonstrated in the proposal.

B. Ranking

All complete and eligible proposals will be ranked according to the following selection criteria. The highest ranked proposals will be selected for funding subject to available funds.

Proposals to plan and carry out habitat restoration will be scored based on an evaluation of the quality of the habitat they propose to improve or create. Point values described in the ranking table (below) are maximum points available under each criterion or portion thereof. Project applications will be ranked, as described below, according to the extent to which the project provides targeted habitat goals, improves conditions for delta smelt and/or other native fishes, provides ecosystem benefits and benefits to native species, and based on the project's approach and feasibility, and proposed performance criteria, and other factors.

Local Agencies must offer sufficient information for the Department to evaluate its proposal under each criterion. Staff reviews will allocate points up to the maximum values based on the degree to which applications address specified criteria. The Department retains discretion to check the reasonableness and accuracy of submitted materials. The Department reserves the right to deny

proposals that do not adequately meet the dictates of California Water Code Sections 12310-12318.

Criterion	Score	Notes
Habitat goals	**Score from 0-15** 5 points - Proposal describes the types and locations of habitats it will enhance/establish through maps or other media. 5 points - Proposal seeks to increase the acreage of at least one habitat type listed in Appendix H1. 5 points - Proposal describes how the project is related to other existing or emerging Delta-wide restoration plan goals and/or targets.	See Appendix H1 for Habitat types included in this PSP.
Delta smelt and other native fish	**Score from 0-15** 15 points - Project proposal describes how it improves conditions for delta smelt and/or other native fish (Appendix H2). 0 points - Proposed project does not improve conditions for delta smelt and/or other native fish (Appendix H2).	When applicable, per the directives of Senate Bill X2 1, priority will be given to projects that improve conditions for delta smelt and other native fish species (See Appendix H2 for target fish species and associated habitat types).

Criterion	Score	Notes
Ecosystem benefits	**Score from 0-20** 5 points - Project is greater than 100 contiguous acres. 5 points - Project enhances landscape connectivity. 5 points - Project is likely to benefit Delta Special Status species. 5 points - Project restores hydrologic connectivity.	These criteria are also described in Appendix H3.
Approach and feasibility	**Score from 0-30** 10 points - Project describes a restoration approach using the elements listed as bullets in Appendix H4 -A. 10 points - Project provides a rationale for feasibility that includes a description of the factors in Appendix H4-B. 10 points - Project describes how it will protect assets of statewide importance or enhance life safety consistent with "No Regrets" criteria and Program priorities identified in the Near Term *Guidelines*.	Criteria for scoring project approach and feasibility are summarized in Appendix H4. See Near Term *Guidelines*, page 6-7.

Criterion	Score	Notes
Project description and permits	**Score from 0-5** 5 points - Application contains a complete project description, identifies needed permits and outlines a clear plan to obtain permits in a timely way to ensure project can proceed to construction within 12 months. 3 points - Application contains a complete project description, identifies needed permits and outlines a satisfactory plan to obtain permits in the foreseeable future. 0 points - Project Description, permit description, and plan to obtain permits is unsatisfactory	This criterion evaluates the completeness of the project description and thoroughness of Local Agency's plan to obtain the required permits (e.g., an identification of all required permits with corresponding budget and timeline).
Technical Capacity and Resources	**Score from 0-10** 2 points - At least one member of the project team is recognized for their restoration work and has greater than 10 years of restoration experience 3 points - At least one member of the project team has the appropriate technical experience to plan and implement the restoration project	Score reflects the technical resources of the proposed restoration project team. Ratings will be based on years of project experience, past project success, and availability of appropriate technical resources. In addition to engineering competence, proponents should be expert in restoration ecology and design for the specific habitats proposed in the restoration proposal.

Criterion	Score	Notes
	3 points - Project team includes environmental scientist(s) capable of preparing appropriate environmental permits 2 points - Project team includes a science review team to review the project plan as it is developed	
Partnerships	**Score from 0-10** **The cost share from partners is:** 10 points - 25% or greater 8 points - 15% to 24.9% 6 points - 5% to 14.9% 2 points - 1% to 4.9% 0 points - none	This criterion is designed to encourage cost sharing partnerships, particularly between Local Management Agencies (including Reclamation Districts), agencies, and technical engineering and restoration consulting firms. Percentage points of eligible project costs shared by a partner.
Project Performance and Adaptive Management:	**Score 0 to 5** 5 points - Project proposals include performance measures (i.e., criteria to measure vegetation success, fish and wildlife improvement, stressors such as invasive species) and long term management plans. 0 points - Project description does not include performance measures and long term management plans.	The project states how the project will be evaluated and includes a description of an adaptive management approach, and a long-term management plan, including financial resources required to manage or maintain the property in perpetuity.

C. Cost Sharing

Projects that assist in restoring one or more habitats that contribute to the improvement in the Delta or Suisun Marsh ecosystem on a system-wide basis consistent with the net habitat improvement requirements of the program may receive an increased cost-share of up to 40% over base funding[1].

6. APPLICATION TIMELINE

A. Anticipated Schedule

The following is the anticipated schedule for the application and review process:

February 16, 2010	Near-Term Guidelines approved by the Director, finalized and released to the public.
April 19, 2010	Habitat PSP released to the public.
May 24, 2010	**Proposals due by 4:00 p.m. (or postmarked)**
June 2010	Department notifies Local Agencies of funding decisions.
June 2010	Department develop agreements for signature by Local Agency; Local Agency develops work plan.
June 2010	Funding Agreement to be executed. Local Agency begins work after the Agreement is fully executed.

7. PREPARING THE PROPOSAL

Applicants must include the following when submitting a Project proposal:[2]

- An application cover sheet that provides an overview of the Project;
- A statement identifying the Applicant's representatives;
- A resolution signed by the Local Agency authorizing submission of the application and designating a representative to sign the application, entering into a contract with the State of California, implementing a habitat program or resolution, and providing the local cost share;
- A project Description; including map(s), drawing(s) and a statement explaining the assets the Project will protect/enhance and justification for the project. The level of detail provided in the Project Description is at the discretion of the Applicant, but it is in the Applicant's interest to offer as much detail and documentation as possible;

[1] DWR may in accordance with California Water Code §83000 et seq. and its Near Term Guidelines, at its sole discretion, waive this ceiling for projects that have primarily statewide or program wide benefits, such as a habitat enhancement project.
[2] Applicants with questions about what to provide should consult with the Department.

- A statement from a professional civil engineer and/or restoration practitioner who has reviewed the Project Description discussing the benefits of the project to flood protection and/or habitat;

- A statement of expected Project costs and detailed Financial Plan;

- A description of the impact the Project has on habitat and the environment, including a discussion of the environmental permits required for the Project and a schedule for permit completion;

- A description of how Project will meet the requirements of Water Code Sections 12314, which require no net long-term loss of habitat and net habitat improvement;

- A cost share recommendation describing the amount of State cost-sharing to which the Local Agency believes it is entitled; and

- A statement of loans from other sources or bonds that are associated with the Financial Plan and a statement of repayment method and loan security for such other financing sources; and

- A checklist of the materials required for a complete application is presented in Section XI.

8. HOW TO SUBMIT A PROPOSAL

Prepare the attached application form. All items are required. If an item does not apply, provide complete justification for not providing the information. Append all required attachments and other submitted material. In addition be sure that:

- Three copies of each hard-copy item are submitted in person or postmarked by the deadline.
- The application form is hard copy.
- Plans and other graphic material are submitted full size.
- Hard copies or hard-copy attachments are completely legible and suitable for copying.

9. CONFLICT OF INTEREST AND CONFIDENTIALITY

All participants are subject to State and Federal conflict of interest laws. Failure to comply with these laws, including business and financial disclosure provisions, will result in the application being rejected and any subsequent contract being declared void. Other legal action may also be taken. Applicable statues include, but are not limited to, Government Code, Section 1090, and Public Contract Code, Sections 10410 and 10411.

Applicants should note that by submitting an application, they will waive their rights to the confidentiality of that application, though Department staff will endeavor to keep all applications confidential until Project selection. After the Projects are selected, all applications (those selected *and* those not) will be public documents.

Local Agency Information

Title of Project :

Short Description :
:

Applicant Agency
Legal Name:
Mailing Address:
City, State, Zip Code:
Telephone: ( )
Fax: ( )
E-Mail:

Authorized Representative
Name:
Title:
Telephone: ( )
Fax: ( )
E-Mail:

Alternate Contact
Name:
Title:
Telephone: ( )
Fax: ( )
E-Mail:

Cities/Communities in the Protected Area:

County :

Members of Congress
Name, District No.:
Name, District No.:

State Senators
Name, District No.:
Name, District No.:

Members of the State Assembly
Name, District No.:
Name, District No.:

Exhibit A

Checklist: General Eligibility Requirements

General Requirements

Criterion	Is this criterion met? Where is it demonstrated in the proposal?
Project must be intended to create, restore, enhance or protect habitat	
Project must not significantly impair the functionality of the levee system; however projects that impact specific levee reaches for purposes of habitat restoration are permissible.	
Where and when applicable, Department must approve of the level of protection the Local Agency seeks to achieve through build-out of its Five-Year Plan.	
Project must take into account the impact of climate change on design and include features that allow accommodation or adaptation to future moderate changes.	
Project must not induce human population growth (e.g. urbanization)	
Project proposal must include a Project Description, Financial Plan and schedule.	
Application should identify all potential beneficiaries of the proposed Project, including population estimates, infrastructure and other improved property.	
Projects must meet the requirements of California Water Code Section 12310-12318.	

Exhibit B

Cost Sharing Recommendation and Report Outline

The Near Term Guidelines require Applicants to complete a Cost Share Recommendation and Report. This document allows the Applicant to establish what it believes should be its cost sharing arrangement with the State. As discussed in the Guidelines:

Category	**Cost Sharing**
Habitat	Projects that assist in restoring one or more habitats that contribute to the improvement in the Delta or Suisun Marsh ecosystem on a system-wide basis consistent with the net habitat improvement requirements of the program may receive an increased cost-share of 40% over base funding.

The following is a brief outline the Applicant should follow to ensure that it provides a proper Cost Share Recommendation and Report.

Overview

A. **Brief Project Description**

i. Description of Work

B. **Estimated Project Cost**

C. **Application of Cost Sharing Rules to Project**

D. **Conclusion**

Appendix H1

Habitat Goals

The Department intends to fund Habitat Projects that enhance and/or restore habitats that have been impacted by historic levee construction and provide benefits to the overall ecosystem health of the Delta. The following habitats are considered the highest priorities based on multiple analyses (including AB360, CALFED, and BDCP). While each habitat type is desirable in its own right, combinations of these habitat types are also desirable.

- ***Shaded Riverine Aquatic (SRA) Habitat*** - is characterized by woody shoreline vegetation which overhangs the water's edge. A possible goal is to increase SRA habitat along salmonid migration corridors. Within the Delta, the woody vegetation component of SRA is most often provided by willows, alders, box elders, and cottonwoods. Shade provides cover for fish and wildlife and moderates high temperatures.

- ***Riparian Forest (RF) Habitat*** – is characterized by woody vegetation (trees greater than 20 feet in height) that may or may not overhang the water's edge. There has been at least a 90% reduction in this habitat type since the Delta was reclaimed. The most common trees in the Delta included the cottonwood, sycamore, alder, Oregon ash, willows, box elder, black walnut and various oaks. RF close to river channels is of higher value than that away from channels, while areas that form a continuous corridor are also of higher value.

- ***Scrub-shrub (SS) Habitat*** – is a stand of woody vegetation less than 20 feet in height. The various tree and shrub species that make up SS are generally the same as for RF although in most instances alders and or willows are the dominant plants. Habitat value for fish and wildlife tends to increase with density and diversity of vegetative structure.

- ***Freshwater Marsh (FM) Habitat*** - is a relatively shallow aquatic area, usually less than about 4.5 feet deep, where emergent plants are growing. In the Delta, freshwater marsh occurs in non-tidal or tidal regimes. The most common plants are tules, bulrushes, and cattails.. Plant biomass and productivity is frequently high in freshwater marshes. There has been at least a 90% reduction in this habitat type since the Delta was reclaimed. Many resident and freshwater fish (e.g., various minnows including Sacramento Splittail and juvenile salmonids) rely on FM for cover from predators and feeding areas.

-- Additional habitat goals consistent with improving the overall ecological health of the Delta include:

Tidal Marsh Habitat - is a relatively shallow freshwater or brackish aquatic area that is covered and uncovered by tidal flow, usually less than about 4.5 feet deep, where emergent plants are growing. Brackish tidal marsh occurs in Suisun Marsh and freshwater tidal marsh occurs in the west Delta.

Nursery value of the tidal marsh is high for fish, providing suitable substrate, hydrologic conditions, and critical geomorphic features that enhance refuge for breeding and spawning adults and young. Many fish species use inland channel tributaries to lay eggs and rear young before emigrating back to open waters. Marsh-plain habitats have been documented to be critical to the successful recruitment of fish species as refuge from predators and as forage grounds. These shallow-water habitats are only available when the water surface rises higher than the channel sides, such as when flooded during high river discharge or during high spring tides.

Appendix H2

Native Fish

Native Fish: Project demonstrates benefit to native fish species, including delta smelt and other threatened and endangered species. Consistent with Senate Bill X2 1, the best scores will reflect projects that propose to improve conditions for delta smelt and other native fish (especially threatened and endangered species). Project proposals should provide a concise justification for why native fish will benefit from the project, by indicating whether the project is in the vicinity of observed native fish habitat and whether the project restores the habitat(s) known to be beneficial to at least one the targeted species. The following table provides a general indication of habitats suitable for Delta native fish species**.**

	Seasonally Inundated Floodplain	Freshwater Tidal Marsh	Brackish Tidal Marsh	Channel Margin[1]
Steelhead, Central Valley DPS	X	X	X	X
Chinook Sacramento R. winter-run	X	X	X	X
Chinook Central V. spring-run	X	X	X	X
Chinook Central V. fall-/late fall-run	X	X	X	X
Longfin smelt		X	X	
Delta smelt	X	X	X	X
Sacramento splittail	X	X	X	X
White sturgeon		X	X	
Green sturgeon		X	X	
Pacific lamprey		X	X	X
River lamprey		X	X	X

[1]***Channel Margin Habitat*** refers to a mosaic of habitat types found along the channel edge. It consists of shallow open sandy areas interspersed between SRA habitats and patches of FM. Channel margin habitat restoration is aimed at returning suitable sites along the water side of levees to a more natural condition for increased food production, rearing habitat, and improved water temperature conditions, for fish. Enhanced channel margin habitats are expected to improve rearing habitat conditions for Sacramento Splittail and salmonids.

Appendix H3

Ecosystem Benefits

The following factors should be considered in developing a successful restoration proposal:

Size of project: Maximize area of restoration (parcel size) and buffer to enhance ecosystem sustainability.

Threatened and Endangered Species: Project demonstrates benefit to multiple special status species, consistent with other Delta restoration planning efforts (CALFED ERP, Bay Delta Conservation Plan, etc.). Projects are in locations that are likely to be colonized by targeted species. Projects should not focus on single species, but instead seek to restore habitats that may support multiple viable populations.

Landscape Approach: Restoration strategies must be designed from a systems perspective that considers the Delta's interconnected landscape and the various components thereof: estuary, river, channel, marsh and floodplain. Projects should enhance habitat connectivity to facilitate:

- natural movement of native species
- linkage to upland habitats
- adaptation to climate change and sea level rise
- linkages to other restoration efforts (NCCP, HCP, recovery plans, critical habitat, Joint Venture, etc) or intact habitat corridors

Projects should also consider:

- proximity to infrastructure that could degrade restored habitat values (e.g., proximity to contaminant sources toxic to covered species or diversions that pose substantial risk for entrainment of covered fish species);
- relative suitability for restoring a mosaic of habitat types that would achieve multiple biological objectives;

Natural Hydrologic Regime: Restore natural hydrologic processes using an understanding of historic conditions and current constraints. Projects that lead to the restoration of floodplain and/or tidal processes that are near important native fish use areas, will score the highest. Projects such as setback levees, in-channel islands, and in-channel benches are also favored by this criterion.

Appendix H4

Approach and Feasibility Evaluation Factors

A. The preliminary restoration project plan should consist of the following:

- Summary of site history and current conditions
- Enhancement/restoration project goals
- Justification for site selection
- A "vision" map of the restored site (including habitat types)
- Construction plans or plans for contracting professional services to draw them
- (Include plans for active (engineered) and passive restoration.)
- Enhancment/Restoration Team including Project Lead
- Timeline: An estimate of the project duration and time required for each activity.
- Budget for each step in the proposed restoration plan
- Description of how the project is self-sustaining and/or a long-term management plan.

B. The feasibility of the project design will be evaluated based on the suitability of the site for restoration, based on factors including but not limited to:

- Elevations appropriate for restoration
- Location near easy access to water supply for restoration
- Presence near channels with sufficient tidal exchange or flow
- Proximity to sediment sources suitable for proposed restoration
- Possible stressors that would impede restoration success including potential toxins, predators, and invasive species
- Anticipated impacts of climate change
- Overall per unit area costs for long-term restoration and management
- Existing and future constraints.

The plan should minimize:

- Expected future threats from adjacent development
- Potential conflicts with mineral rights, extensive rights-of-way, and other land use constraints on restoration
- Potential conflicts with current regional infrastructure plans (transportation, energy, water transfer, etc)
- Existing or planned barriers/diversions for fish, both downstream and upstream of site, that inhibit significant parts of their life cycle
- Significant upstream or upslope risks to water flow or quality
- Mosquito vector control problems or nuisances relative to other Delta locations.